

# **Fiscal Services Division**

## **Legislative Services Agency**

### **Fiscal Note**

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HF 789 - Health Insurance Coverage - Expansion (LSB 1631 HV)  
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Fiscal Note Version - New

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#### **Description**

House File 789 requires insurers offering individual or group insurance contracts, policies, or plans in Iowa to provide coverage for certain external formulas, audiological services and hearing aids for children, and vaccinations for human papilloma virus. The Bill creates new Sections in Chapter 514.C, Code of Iowa, and describes each of the new coverage areas, including the age groups to be covered. The third-party payment provider contracts, policies, or plans delivered, continued, or renewed in Iowa must include these coverage areas on or after January 1, 2008. The Insurance Division Commissioner is to adopt rules to administer the provisions of the Bill.

#### **Assumptions**

- State health insurance premiums are an estimated \$274.5 million for Calendar Year 2007 and an estimated \$302.0 million in Calendar Year 2008, before changes proposed in the Bill.
- Calculations do not include the Regents Professional and Scientific staff, and State Police Officers Council (SPOC) covered employees.
- All insurance carriers will increase premiums by an estimated 10.0% in Calendar Year 2008 with no new benefit coverage.
- Health care premiums would increase by a range of an estimated 0.6% to 1.6% per year to implement the new coverage areas proposed by the Bill.

#### **Fiscal Impact**

House File 789 increases costs to the General Fund by a range of an estimated \$1.7 million to \$4.4 million for Calendar Year 2008 and each succeeding year.

#### **Sources**

Wellmark Blue Cross Blue Shield of Iowa  
Department of Administrative Services

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/s/ Holly M. Lyons

March 20, 2007

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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